APPENDIX "A"

CONSTITUTION OF THE UNITED STATES

The pertinent portions of the Constitution of the United States are as follows:

ARTICLE I, Section 8, [Clause 3] — To regulate Commerce with foreign Nations, and among the several States and with the Indian Tribes.

ARTICLE I, Section 8, [Clause 17] — To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings.

ARTICLE VI, [Clause 2] — This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every States shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

AMENDMENT 14

(Adopted July 28, 1868)

SECTION 1

All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of

the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without the due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

APPENDIX "B"

FEDERAL STATUTORY PROVISIONS

The pertinent Armed Services procurement provisions are 70A Stat. 127-133, as amended, 10 U.S.C. 2301-2314. Section 2304 provides:

> 2304. Purchases and contracts: formal advertising; exceptions.
>
> (a) Purchases of and contracts for property or services covered by this chapter shall be made by formal advertising. However, the head of an agency may negotiate such a purchase or contract, if—
>
> * * * * *
>
> (8) the purchase or contract is for property for authorized resale;
>
> (9) the purchase or contract is for perishable or nonperishable subsistence supplies;
>
> (10) the purchase or contract is for property or services for which it is impracticable to obtain competition;
>
> * * * * * *
>
> (15) the purchase or contract is for property or services for which he determines that the bid prices received after formal advertising are unreasonable as to all or part of the requirements, or were not independently reached in open competition, and for which (A) he has notified each responsible bidder of intention to negotiate and given him reasonable opportunity to negotiate: (B) the negotiated price is lower than the lowest rejected

bid of any responsible bidder, as determined by the head of the agency; and (C) the negotiated price is the lowest negotiated price offered by any responsible supplier;

* * * * * *

Section 2305 provides:

* * * * * *

(c) * * * Awards shall be made with reasonable promptness by giving written notice to the responsible bidder whose bid conforms to the invitation and will be the most advantageou sto the United States, price and other factors considered. However, all bids may be rejected if the head of the agency determines that rejection is in the public interest.

* * * * * *

APPENDIX "C"

FEDERAL REGULATIONS

The Armed Services Procurement Regulations provide in pertinent part:

1-301 **Methods of Procurement.** It shall be the objective to use that method of procuremen which will be most advantageous to the Government—price, quality, and other factors considered. Such procurement shall be made on a competitive basis, whether by formal advertising or by negotiation, to the maximum practicable extent, in accordance with the policies and procedures set forth in this Regulation. Procurement shall be effected by advertising for bids and thereafter awarding a contract to the lowest responsible bidder, in accordance with the detailed requirements and procedures set forth in Section II; except that procurement may be effected by negotiation when authorized by and conducted in accordance with the detailed requirements and procedures set forth in Section III. Procurement may also be effected, as provided in Sections IV and V, by such means as coordinated procurement or interdepartmental procurement.

* * * * * *

1-302.2. **Sources Outside the Government.** Irrespective of whether the procurement of supplies or services from sources outside the Government is to be effected by formal advertising or by negotiation, competitive proposals

("bids" in the case of procurement by formal advertising, "proposals" in the case of procurement by negotiation) shall be solicited from all such qualified sources of supplies or services as are deemed necessary by the contracting officer to assure such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the Military Department concerned, and thereby to obtain for the Government the most advantageous contract — price, quality, and other factors considered.

• • • • • •

3-100 **Scope of Part.** This Part deals with the nature and use of negotiation as distinguished from formal advertising, and with limitations upon that use.

3-101 **Negotiation As Distinguished From Formal Advertising.** Whenever supplies or services are to be procured by negotiation, price quotations (see ASPR Section XVI, Part 2), supported by statements and analyses of estimated costs or other evidence of reasonable prices and other vital matters deemed necessary by the contracting officer, shall be solicited from all such qualified sources of supplies or services as are deemed necessary by the contracting officer to assure full and free competition consistent with the procurement of the required supplies or services, in accordance with the basic policies set forth in Section I, Part 3, to the end that the procurement will be made to the best advantage of the Government, price and other factors considered. Negotiation shall thereupon be conducted, by contracting officers and their

negotiators, with the attention being given to the following and any other appropriate factors:

(i) comparison of prices quoted, and consideration of other prices for the same or similar supplies or services, with due regard to production costs, including extra-pay shift, multi-shift and overtime costs, and any other factor relating to price, such as profits, cost of transportation, and cash discounts;

(ii) comparison of the business reputations, capabilities, and responsiblities of the respective persons or firms who submit quotations (see ASPR 1-903);

(iii) consideration of the quality of the supplies or services offered, or of the same or similar supplies or services previously furnished, with due regard to the satisfaction of technical requirements;

(iv) consideration of delivery requirements (see ASPR 1-306);

(v) discriminating use of price and cost analyses (see ASPR 16-206);

(vi) investigation of price aspects of any important subcontract;

(vii) individual bargaining, by mail or by conference;

(viii) consideration of cost sharing;

(ix) effective utilization in general of the most desirable type of contract and in particular of contract provisions relating to price redetermination (see Section III, Part 4);

(x) consideration of the size of the business concern (see ASPR 1-302.3 and 3-104);

(xi) consideration as to whether the prospective supplies is a planned producer under the industrial mobilization program;

(xii) consideration as to whether the prospective supplies requires expansion or conversion of plant facilities;

(xiii) consideration as to whether the prospective supplier is located in a surplus or scarce labor area (see ASPR 3-105);

(xiv) consideration as to whether the prospective supplier will have an adequate supply of qualified labor;

(xv) consideration of the extent of subcontracting;

(xvi) consideration of the existing and potential workload of the prospective supplier;

(xvii) consideration of broadening the industrial base by the development of additional suppliers;

(xviii) consideration of whether the contractor requires Government-furnished property, machine tools, or facilities; or Government-operated test facilities;

(xix) consideration of contract performance in facilities located in dispersed sites; and

(xx) advantages or disadvantages to the Government that might result from making multiple awards.

3-102 General Requirements for Negotiation. No contract shall be entered into as a result of negotiation unless or until the following requirements have been satisfied:

(i) the contemplated procurement comes within one of the circumstances permitting negotiation enumerated in Section III, Part 2;

(ii) any necessary determinations and findings prescribed in Section III, Part 3, have been made;

(iii) such business clearance or approval as is prescribed by applicable Departmental procedures has been obtained; and

(iv) the prospective contractor has been determined to be responsible in accordance with ASPR Section I, Part 9.

* * * * *

Procurement by Negotiation

Part 8- Price Negotiation Policies and Techniques

* * * * *

3-801.1 General. It is the policy of the Department of Defense to procure supplies and services from responsible sources at fair and reasonable prices calculated to result in the lowest ultimate over-all cost to the Govenment. Sound pricing depends primarily upon the exercise of sound judgment by all personnel concerned with the procurement.

* * * * *

Army Procurement Procedure 3-101 provides:

3-101 Negotiation as Distinguished from Formal Advertising.

a. Competition. The fact that a procurement is to be negotiated does not relax the requirements for competition. When supplies or services are to be procured by negotiation and when consistent with the accomplishment of procurement objectives, quotations or proposals shall be solicited from all such qualified sources of (as defined in ASPR and APP 1-201.9) supplies or services as are deemed necessary to insure effective competition and to insure that the procurement is made to the best advantage of the Government, price and other factors considered, in accordance with the basic policies set forth in Part 3, Section I, ASPR and APP. Competition is not necessary in contracting for personal or professional services.

b. **Conduct of Negotiations.** Procurement by negotiation is less automatic than, and does not have the rigid limitations of, formal advertising bid and award procedures; it allows to a greater extent than formal advertising the exercise of sound business judgment but in no way decreases the responsibility for properly protecting the interests of the Government.

(1) Contracting officers should conduct contract negotiations to the best advantage of the Government. They may bargain with any number of interested suppliers at any time prior to the award of a contract, as deemed desirable and practicable. After receipt of the initial proposals, separate negotiations may be conducted with any source of supply submitting an offer. The contract should be placed with the

supplier making the best final proposal and who has the requisite ability to perform.

* * * * *

(2) Negotiation will be accomplished to the end that maximum pricing benefits from all negotiated transactions may be realized. Benefits are obtainable through complete negotiation of transactions, particularly when one or several of the proposals indicate, or it is otherwise evident, that further negotiation may result in better pricing. During negotiations potential suppliers must be informed of the provisions which will appear in the contract to be executed.

(3) During the negotiation of contracts, simultaneous coordination, to the greatest practical extent, shall take place among the contracting, technical, price analysis, legal, and industrial planning personnel. Instructions to be followed by negotiating teams will be prepared with full coordination of traffic management consultants in purchasing offices, and such teams will be directed to seek traffic management advice upon the appearance of new traffic elements (such as change in shipping points, specifications, etc.) in the negotiations.

* * * * *

c. Requests for Proposals.

(1) When a procurement of supplies or services is to be announced in writing to prospective contractors for the purpose of requesting quotations and other terms as a basis for conducting negotiations, contracting officers shall use DD Form 747 (Request for Quota-

tions) or a DD Form 746 (Request for Proposals and Proposal). See ASPR 16-201 and 16-208.

* * * * * *

Air Force Procurement Regulation, Paragraphs 2-000, 2-101, 2-102 provide:

2-000 Scope of Section. In recognition of the fact that formal advertising is the basic method of procurement by the Government, this Section gives detailed guidance to AF procurement personnel for adapting formal advertising procedures to use in fulfilling as many procurement requirements as possible. In particular, Part 20 sets forth many examples of special provisions which may be incorporated in Invitations for Bids to assure that the Government's requirements will be fully met and at the same time preserve the benefits of full and free competition which are inherent in formal advertising.

PART 1—USE OF FORMAL ADVERTISING

2-101 Meaning of Formal Advertising. Formal advertising involves three basic steps. First, the preparation of an Invitation for Bids, in the prescribed form, describing the requirement of the Government accurately and completely, but avoiding any limitations which have no reasonable relationship to the actual needs of the Government and which might tend to limit the number of bidders (see AFPI 2-201). Second, publicizing the Invitation for Bids through posting in public places, distributing to prospective bidders, and such other means as may be appropriate, in sufficient time to enable prospective bidders to prepare and

submit formal bids before the time slated for public opening of bids (see AFPI 2-202). Third, awarding the contract, on the basis of the bids publicly opened, to that responsive responsible bidder whose bid is most advantageous to the Government, price and other factors considered. (See Part 4 of this Section.)

2-102 USE FOR FORMAL ADVERTISING

(a) **Statutory Requirement.** 10 U.S.C. 2304 (a) provides that all contracts for supplies or services, with certain stated exceptions, will be made by formal advertising. (See ASPR and AFPI Section III, Part2 for discussion of the exceptions.)

(b) **House of Representatives Report.** The House Committee on Armed Services, section 2(e) of House Report No. 1688 (84th Congress, 2nd Session, January 1956) accompanying H.R. 8710, has stated as follows:

The amendment adds a new subsection. In it, we have stated positively the intention of Congress that all procurement shall be by advertised bidding. We have said, in clear language, that none of the exceptions 2(c) (1) through (17) shall be used by the agency head unless the facts and circumstances in justification thereof are clear and convincing.

We mean by this that "borderline" cases or "Grey areas," as they are sometimes referred to, and any case in doubt or uncertainty shall be resolved in favor of advertised competitive bidding and not by resorting to these 17 exceptions.

The Comptroller General, in his vigilant examination of the operation of this Act and of procurement practices generally, will, as the agent of Congress, be fully advised and fortified by this firm expression of congressional intent. And moreover, no agency head can now be in any doubt whatsoever as to what Congress expects of him. We cannot be more explicit.

We propose that the trend shall be toward advertised competitive procurement and that advertised competitive procurement will be the rule, that in every case in which the agency head or his subordinates look toward the exceptions of the Act, they are met with the expression of congressional intent in this act, as amended, that what they do must be supported by a justification which is both clear and convincing. And the Congress will examine the findings that are required under the act, from time to time, to determine whether this mandate is being followed. We are determined that the trend which prompted this inquiry, shall be reversed.

(c) Air Force Policy.

(1) The AF policy is to use formal advertising procedures whenever possible notwithstanding the existence of a negotiation authority under 10 U.S.C. 2304(a) and ASPR and AFPI Section III, Part 2. Thus negotiation authority will be used only when the facts and circumstances of the procurement clearly indicate the need to use the authority. For example, 10 U.S.C. 2304(a)(9) authorizes the procurement of perishable subsistence supplies by negotiation. Milk is perishable subsistence as defined in AFR 145-11 and Rulings and Interpreta-

tions of the Walsh-Healy Public Contracts Act, but troop issue requirements are adequately covered by specifications and competition is generally available, accordingly, such procurements of milk should be advertised when volume quantities are involved.

(2) Before the negotiation authority of ASPR 3-202 or 3-210 is used, officials approving determinations and findings (see AFPI 3-306(b) will satisfy themselves that formal advertising procedures cannot be used without detriment to the Government, and that the facts and circumstances in justification of negotiation are clear and convincing.

• • • • •

APPENDIX "D"

PERTINENT FLORIDA STATUTORY PROVISIONS AND LEGISLATIVE HISTORY

A. The entire Florida Milk Commission Act, Chapter 501, Florida Statutes, 1961, at Page 2220, is set forth in the Appendix to the Jurisdictional Statement. Some of the pertinent parts of the Act are as follows:

"501.01. Legislative finding; statement of policy. — This Chapter is enacted in the exercise of the police power of the state, and its purpose generally is to protect the public health, safety and welfare. It is declared that the production and distribution of milk, cream and other milk products in the state is an industry upon which to a large degree, the prosperity and health of the people of the state depend, and that the present economic emergency is in part a result of the disparity between the prices of milk, cream and milk products and other commodities, which disparity has diminished the power of milk producers to purchase industrial products, and has broken down the orderly production and marketing of milk, cream and other milk products, and has seriously impaired the agricultural assets supporting the credit structure of the state and political subdivisions thereof; that unhealthful, unfair, unjust, destructive, demoralizing and uneconomic trade practices have grown up and have been carried on in the production, sale and distribution of milk, cream and milk products in this state which impair dairy industry in this state and imperil the constant supply of pure and wholesome milk to the inhabitants thereof, and constitute a menace to the health and welfare of the inhabitants of this state; that such conditions existed at the time of the creation of the milk control board and constituted a menace to the health, welfare and reasonable comfort of the inhabitants of this state, and will again consti-

tute such menace should all regulations as set forth in said law creating said board go out of existence. In order, therefore, to protect the well-being of our citizens, and to promote the public welfare, and in order to preserve the strength and vigor of the race, the production, transportation, manufacture, storage, distribution and sale of milk, cream and milk products in the state is declared to be a business affecting the public health and interest of its citizens; and the production, transportation, manufacture, storage, distribution and sale of milk, cream and milk products to be a paramount industry upon which the prosperity of the state and the welfare of its citizens in a large measure depends. In order to correct abuses arising from the destructive and unfair manipulation of prices which are found to spring from a selfish disregard of the public interest in the manner of carrying on the dairy industry, which is an organized industry, it is found necessary to resort to the legislative remedy of regulating prices to save both producers and consumers from such manipulation of prices in the industry; because such practices amount to evils which menace the health, safety, and welfare of the people at large, this chapter is passed. It is further found that the acute economic emergency which existed at the time of the creation of the milk control board was partly the consequence of a severe and increasing disparity between the prices of milk and other commodities, as aforesaid stated; that such practices were and are curtailed by the existence of said board, but will immediately recur should said board and the regulations set up to be administered thereby pass out of existence; that the purchasing power of milk producers is in imminent danger of again being broken down and demoralized; that the danger to the public health and welfare is immediate and impending, the necessity urgent and such as will not admit of interruption of public supervision and control in accord with proper standards of production, sanitation and marketing; that it is therefore necessary that said business be supervised and regulated by

proper legislation. The foregoing statement of fact, policy and application of this chapter are declared as a matter of legislative finding and determinaion.

History—§1, ch. 19231, 1939; CGL 140 Supp. 3219(38). cf.—Ch.502, Milk, cream and milk products.

501.05(3) The relationship between a producer and a distributor, under which milk produced by the producer is regularly delivered to and accepted by the distributor, when once established, shall not be terminated either by the producer or by the distributor without cause therefor, and the approval of the commission. Just cause will be considered by the commission as any cause deemed just by a prudent and reasonable man.

Arbitrary, capricious and vindictive reasons will not be considered as just cause for any such termination.

"501.09(4) . . . On or before the tenth day of each month each distributor shall make a report under oath to the commission upon such form and containing such information as the commission shall prescribe, but each report shall specifically, and in addition to all other information which may be required by the commission, contain and set forth:

(a) The number of gallons of milk produced; the number of gallons of milk received; and the number of gallons of milk distributed by such distributor during the preceding calendar month; and

(b) The name and address of each producer or any other person from whom the distributor purchased milk for distribution during the preceding calendar month and the quantity of milk purchased from each producer or other person, and the price per gallon paid to each producer or other person for milk so purchased,

and the number of gallons purchased by such distributor if such distributor be also a producer.

For the privilege of continuing in or engaging in the business of distributing milk or acting as a distributor under the provisions of this chapter, there is imposed upon every distributor a tax in an amount equal to fifteen-one hundredths of one cent upon each gallon of milk distributed by each distributor during each calendar month. The amount of such tax shall be remitted by each distributor to the commission at the time that the monthly reports are required to be filed by the distributor with the commission as provided by this chapter. . . ."

501.13(8) It is the intent of the legislature that the instant, whenever that may be, that the handling within the state by a milk dealer of milk produced outside of the state becomes a subject of regulation by the state, in the exercise of its police powers, the restrictions set forth in this chapter respecting such milk so produced shall apply and the powers conferred by this chapter on the commission shall attach. After any milk so produced comes to rest within the sate, for sale, within the state by a licensed milk dealer required by this chapter to be licensed, or any milk purchased from the producer at a price lower than that required to be paid for milk produced within the state purchased under similar conditions is unlawful.

501.21. Duration of commission. — A continuing emergency for the regulation of the business and industry herein named shall be presumed and deemed continuing and existing, calling for the need for the existence of this chapter, and the same shall be effective until such date as it is repealed or amended by some subsequent act of the legislature, whenever any such continued emergency may be deemed essential to the continued validity of any of the provisions hereof.

501.23 Penalty for violations. — A violation of any provision of this chapter or of any rule or order of the commission lawfully made, except as otherwise expressly provided by this chapter, shall be a misdemeanor punishable by a fine not exceeding five hundred dollars or by imprisonment not exceeding one year, and each day during which such violation shall continue shall be deemed a separate violation.

* * * * *

B. Chapter 25, Section 1 and Section 3, Laws of Florida, 1845, Pages 42, 43, and 44:

Section 1. Be it therefore enacted by the Senate and House of Representatives of the State of Florida in General Assembly convened, That the United States be, and they are hereby authorized and empowered to purchase, acquire, hold, own, occupy and possess such land or lands within the limits of this State as they shall adjudge it expedient, and shall seek to occupy and hold as sites on which to erect and maintain forts, magazines, arsenals, dockyards and other needful buildings, or any of them, as contemplated and provided in the Constitution of the United States, said purchases to be effected either by contract with the owner or owners of said land or lands, or in the manner hereinafter provided.

Section 3. Be it further enacted, That whenever the United States shall contract for, purchase or acquire any land or lands within the limits of this State for the purposes aforesaid, in either of the modes above mentioned and provided, and shall desire to acquire constitutional jurisdiction over such land or lands for said purposes, it shall and may be lawful for the Governor of this State, upon made to him in writing, on behalf of the United States, for that purpose, accompanied by the proper evidence of said purchase, contract, or acquisition of record, describing the land or lands

sought to be ceded by convenient metes and bounds, and the said Governor shall be, and he is hereby authorized and empowered, thereupon, in the name and on behalf of this State, to cede to the United States exclusive jurisdiction over the land or lands so purchased or acquired and sought to be ceded; the United States to hold, use, occupy, own, possess, and exercise said jurisdiction over the same for the purposes aforesaid, and none other whatsoever. **Provided, always**, that the consent aforesaid is hereby given, and the cession aforesaid is to be granted and made as aforesaid, upon the express condition that this State shall retain a concurrent jurisdiction with the United States in and over the land or lands to be ceded, and every portion thereof so far that all process civil or criminal, issuing under the authority of this State, or of any of the Courts, or judicial officers thereof, upon any person or persons amenable to the same, within the limits and extent of the land or lands so ceded, in like manner and to like effect, as if this act had never been passed; saving, however, to the United States security to their property within said limits and extent, an exemption of the same, and of said land or lands, from any taxation under the authority of this State, whilst the same shall continue to be owned, held, used and occupied by the United States for the purposes above expressed and intended, and not otherwise.

[Passed the Senate July 17th, 1845. Passed the House of Representatives July 21st, 1845. Approved by the Governor July 24th, 1845.]

* * * * *

C. **Florida Statutes, 1961, Page 3.**

§602. United States authorized to acquire lands for certain purposes. — The United States may purchase, acquire, hold, own, occupy and possess such lands within the limits of this state as they shall seek to oc-

cupy and hold as sites on which to errect and maintain forts, magazines, arsenals, dockyards, and other needful buildings, or any of them, as contemplated and provided in the Constitution of the United States; such land to be acquired either by contract with owners, or in the manner hereinafter provided.

History—§1, ch. 25, 1845; RS 7; GS 5; RGS 5; CGL 5.
cf.—§§6.06, 253.21, Swamp and forest lands.

§§264.06-264.10, Everglades National Park.

APPENDIX "E"

PERTINENT GEORGIA STATUTES

The Georgia law provides in pertinent part:

ACT NO. 373, Georgia Laws of 1927, Pages 352 and 353. U. S. GOVERNMENT, JURISDICTION CEDED TO.

NO. 373.

An Act to provide for the acquisition of land in the State of Georgia by the United States for governmental purposes; to cede jurisdiction to the United States under certain limitations; and for other purposes.

Section 1. Be it enacted by the General Assembly of the State of Georgia, and it is hereby enacted by authority of the same, and the consent of the State of Georgia is hereby given, in accordance with the 17th clause, 8th section, and of the 1st article of the Constitution of the United States, to the acquisition by the United States, by purchase, condemnation, or otherwise, any land in this State which has been or may hereafter be acquired for custom-houses, post-offices, arsenals, other public buildings whatever, or for any other purposes of government.

Section 2. Be it further enacted by the authority aforesaid, that the exclusive jurisdiction in and over any land so acquired by the United States shall be and the same is hereby ceded to the United States for all purposes, except that the State retains the right to serve thereon all civil and criminal processes issued under authority of the State; but the jurisdiction so ceded shall continue no longer than the said United States shall own such lands.

Section 3. Be it further enacted by the authority aforesaid, that the jurisdiction hereby ceded shall not vest until the United States shall have acquired the title to the said lands by purchase, condemnation, or otherwise; and so long as the said lands shall remain the property of the United States when acquired as aforesaid, and no longer, the same shall be and continue exempt and exonerated from all State, county, and municipal taxation, assessment, or other charges which may be levied or imposed under authority of the State.

Approved August 23, 1927.

ACT NO. 851, Georgia Laws of 1953, Pages 264 & 265: STATE JURISDICTION OVER CEDED TERRITORY.

Code § 15-302 Amended.

No. 851 (Senate Bill No. 265).

An Act to amend Section 15-302 of the 1933 Code of Georgia relating to the jurisdiction of the United States over certain lands in this State so as to provide that the State shall no longer retain its civil and criminal jurisdiction over persons and citizens of any ceded territory used by the Department of Defense; to repeal conflicting laws; and for other purposes.

Be it enacted by the General Assembly of Georgia as follows:

Section 1. Section 15-302 of the 1933 Code of Georgia relating to the jurisdiction of the United States over certain lands in this State is amended by inserting after the word "State" at the end of the second sentence thereof the words "except as to any ceded territory owned by the United States and used by the Department of Defense but the State retains jurisdic-

tion over the regulation of public utility services in any ceded territory," so that said Section when so amended shall read as follows:

"15-302. Exclusive jurisdiction in and over any lands so acquired by the United States is hereby ceded to the United States for all purposes except service upon such lands of all civil and criminal process of the courts of this State; but the jurisdiction so ceded shall continue no longer than said United States shall own such lands. The State retains its civil and criminal jurisdiction over persons and citizens in said ceded territory, as over other persons and citizens in this State, except as to any ceded territory owned by the United States and used by the Department of Defense, but the State retains jurisdiction over the regulation of public utility services in any ceded territory. Nothing herein shall interfere with the jurisdiction of the United States over any matter or subjects set out in the Acts of Congress donating money for the erection of public buildings for the transaction of its business in this State, or with any laws, rules, or regulations that Congress may adopt for the preservation and protection of its property and rights in said ceded territory, and the proper maintenance of good order therein."

Section 2. All laws and parts of laws in conflict with this Act are hereby repealed.

Approved February 15, 1952.

APPENDIX "F"

RECENT NEWSPAPER ARTICLES AND AN EDITORIAL RELATING TO FLORIDA-ALABAMA MILK DISPUTE.

PENSACOLA NEWS - FRIDAY AFTERNOON JANUARY 18, 1963

'BAMA REPRISAL HINTED IN MILK FLOW DISPUTE

State Body Nixes Alabama Request for Rule Change

TALLAHASSEE (AP) — An Alabama authority warned today that reprisals might to taken against Florida agricultural goods unless a rule is changed that restricts the flow of Alabama milk into the Pensacola area.

James L. Lawson of the Alabama Agricultural Department delivered the warning to the Florida Milk Commission, which has ruled that Florida dairy farmers have preference in supplying the Pensacola area with top-priced milk.

The rule stipulates that Alabama producers can supply any milk demand not filled by the Florida men.

Lawson asked the Florida commission to halt enforcement of its rule pending negotiations. The Florida commission refused, but said it was will to negotiate with the Alabama authorities.

Lawson told the commission, "The situation unless changed might lead to borderline incidents on all our

agricultural products". He pointed out that Florida dairy farmers supply some of the milk sold in Dothan, Ala.

Lawson said that an agreement worked out in January 1957 between the two parties permitted the free flow of milk across the state until recently, when the commission voted in its new rule.

But Florida's Milk Commission chairman, Charles Andrews of Orlando, said no records of any such agreement existed in Florida.

Some 80 producers in south central Alabama ship their milk to Pensacola for packaging. Some of this milk is sold in Florida and the rest is shipped back to to the Alabama retail market. . . .

PENSACOLA JOURNAL - WEDNESDAY MORNING JANUARY 23, 1963. PAGE 9A.

THREE NAMED TO NEGOTIATE MILK SQUABBLE.

TALLAHASSEE (AP)—Two dairymen and a Florida Agriculture Department representative were appointed Tuesday to negotiate a milk dispute with Alabama before it spreads to other agricultural products.

Alabama's secretary of agriculture, A. W. Todd, called on Florida to relax an order that affects a group of South Alabama dairy farmers selling milk in the Pensacola market.

Three members of the Florida Milk Commission, which is enforcing the order, were named to negotiate with Alabama. They were Plant City distributor John Cone, Ocala dairy farmer Chris Jensen, and Alex Show of the Florida Agriculture Department.

The Commission disputed order says that Florida dairy farmers in the Pensacola area have priority on supplying the top-price milk to that market, with the Alabama producers allowed to supply the remaining demand. The Alabama producers have filed a lawsuit against the order in circuit court here and a hearing is set for Feb. 1.

PENSACOLA NEWS - MONDAY AFTERNOON, JANUARY 28, 1963, PAGE 4

(EDITORIAL)

ALABAMA-FLORIDA MILK 'WAR' SHOULD BE SETTLED QUICKLY

Florida Milk Commission's order requiring processors in the Pensacola area to purchase milk from Florida dairies first and from Alabama producers only when the local supply is insufficient has stirred up a controversy which can have major repercussions. Before it gets out of hand some settlement is needed, and quickly.

Alabama officials have threatened to place ruinous restrictions on other Florida products moving into and through that state unless the order is recinded. Also Alabama producers have filed suit in Tallahassee to get the bans withdrawn. Members of the Florida commission have been named to seek a negotiated agreement before the "boundary war" spreads to other fields.

But it will not be easy because of the problems inherent in milk production. The product cannot be stored indefinitely. Also the cows cannot be turned on and off to conform to changing demands. As a result some assurance of a ready market must be provided the Florida dairymen to encourage them to

maintain their herds. This is the objective behind the commission order giving top priority to local producers.

But this also places an artificial barrier on the products of nearby dairymen, on the other side of an imaginary line, who want to market their milk in the Pensacola area. These can argue, with reason, that their purchases in Florida are encouraged, not subjected to boundary restrictions. The trade should be a two-way street. It is difficult to dispute this position.

Court action may settle the question of the legality of the Florida barriers, but it cannot settle the larger problem of possible Alabama retaliation. A matter of geographical position has given our neighboring state a whiphand which cannot be ignored. Florida's product shipments to the great Mississippi Valley region must pass through Alabama or detour by a costly roundabout route through Georgia.

If it should determine to do so Alabama can install inspection regulations on all food shipments under the guise of health safeguards which could be ruinous. While it is doubtful that Alabama would go to such extremes it must be recognized as a possibility. So the protests cannot be ignored.

Some negotiated agreement, not a head-knocking showdown, is needed. It can be obtained if the conferees recognize all the factors involved.